

Message Text

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PAGE 01 SAN JO 00862 210420Z

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ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 L-03 INR-07 /032 W

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R 192336Z FEB 76

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 2928

UNCLAS SAN JOSE 0862

PASS EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, CS

SUBJECT: LATIN AMERICAN BANK PROBLEM

THE EMBASSY HAS RECEIVED A COPY OF A TELEGRAM SENT BY SELF-DESCRIBED REPRESENTATIVES OF THE CREDITOR BANKS OF THE LATIN AMERICAN BANK "TO BERNAL JIMENEZ, EXECUTIVE PRESIDENT OF THE COSTA RICAN CENTRAL BANK. THE EMBASSY FORWARDS THE TEXT FOR THE INFORMATION OF THE DEPARTMENT AND THE EXPORT-IMPORT BANK. BEGIN TEXT:

"WE RECEIVED THE CENTRAL BANK RESPONSE TO OUR LETTER OF FEBRUARY 11, 1976. THE AMOUNTS CONTAINED THEREIN ARE SIGNIFICANTLY LESS THAN THE USDLRS 13,253,849 COMMITTED TO BY YOU IN THE SCHEME. AS YOU KNOW WE HAVE CALLED FOR A MEETING OF THE CREDITOR BANKS IN NEW YORK ON FEBRUARY 25, 1976. SINCE THIS IS ESSENTIALLY FOR THE PURPOSE OF CONSIDERING YOUR REQUEST FOR AN EXTENSION, WE RECOMMEND YOU WILL SEND A REPRESENTATIVE OF THE CENTRAL BANK TO PRESENT YOUR POSITION DIRECTLY TO THE CREDITORS. WE ANTICIPATE GREAT DIFFICULTY AND WOULD SUGGEST THAT YOUR PRESENCE, MR. JIMENEZ, IS MANDATORY.

WHILE WE CANNOT SPEAK FOR ALL THE CREDITORS WE FEEL THE FOLLOWING IS THE MINIMYM ACCEPTABLE POSITION FOR THE FEBRUARY 25TH MEETING: THAT THE CENTRAL BANK PROVIDE THE CREDITORS WITH EVIDENCE OF SUBSTAN-
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PAGE 02 SAN JO 00862 210420Z

TIAL PROGRESS IN THE SELECTION OF LAB ASSETS FROM ITS

LETTER OF FEBRUARY 14, 1976 INCLUDING FIRM COMMITMENTS ON THE PARTS OF THE STATE COMMERCIAL BANKS APPROVED BY THE RESPECTIVE BOARD OF DIRECTORS AND WITH NO FURTHER CONDITIONS OR CONTINGENCIES; THAT IN THE EVENT OF THE INABILITY OF THE STATE COMMERCIAL BANKS TO DECIDE ON THE ABSORPTION OF SPECIFIC LAB ASSETS THE CENTRAL BANK AGREE TO ABSORB ANY SHORTFALL AND SUBSEQUENTLY MAKE AN APPROPRIATE ARRANGEMENT WITH THE STATE COMMERCIAL BANKS FOR FURTHER DISTRIBUTION; THAT THE CENTRAL BANK CONFIRM TO THE CREDITORS THE CLOSING DATE FOR THE EXCHANGE OF NOTES WILL BE NO LATER THAN MARCH 10, 1976.

WE FEEL THE POSITION OUTLINED ABOVE FORMS THE ONLY REASONABLE BASE FOR A BRIEF EXTENSION OF THE CLOSING DATE FOR THE EXCHANGE OF NOTES AND WE WILL ADVISE THE CREDITOR BANKS OF OUR RECOMMENDATIONS. IF YOU HAVE ANY COMMENTS OR CARE TO DISCUSS ANY OF THESE POINTS PRIOR TO THE FEBRUARY 25TH MEETING, PLEASE CONTACT ANY OF THE UNDERSIGNED."

SIGNED CHARLES FALVEY, ERIC B. MOORE, ROBERT CRAIG.
TODMAN

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Message Attributes

Automatic Decaptioning: X
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Margaret P. Grafeld
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